



**OAK RIDGE OPERATIONS
WORK FORCE
RESTRUCTURING PLAN**

**U. S. Department of Energy
Oak Ridge Operations Office
Oak Ridge, Tennessee**

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Important note: The Department reserves the right to change the terms of this Plan from time-to-time. There is no guarantee that any future staffing reductions in the work force will provide for enhanced separation benefits. There is a very real possibility that implementation of future work force restructuring actions will not include the same type or level of benefits as may have been offered previously.

Provisions of this Plan are not intended to replace normal separation benefits to which eligible contractor employees would normally be entitled under their contract. This Plan is offered to supplement those benefits if available funds permit. It is not the intent of the Department of Energy in implementing this Work Force Restructuring Plan to create any private right of action or to create rights in any third parties.

1. INTRODUCTION

Consistent with section 3161 of the National Defense Authorization Act for Fiscal Year 1993 (the Act), the Oak Ridge Operations Office (ORO) of the Department of Energy (Department or DOE) is implementing the Department's policy to develop a Work Force Restructuring Plan to mitigate the socio-economic impacts of work force restructuring on affected contractor and subcontractor workers and on the community as a result of changes in the missions or budgets, or management and contracting efficiencies at the Oak Ridge Reservation (ORR).

Section 3161 requires the Secretary of Energy to develop a plan for restructuring the work force for a defense nuclear facility whenever there is a determination that a change in the work force is necessary.

Section 3161 of the Act sets specific objectives to guide the preparation of work force restructuring plans to minimize worker and community impacts. Reductions may be accomplished, when possible, through use of voluntary separation programs, attrition, and other options such as retraining that minimize layoffs. To the extent practicable, contractors and subcontractors will offer a hiring preference to eligible involuntarily separated employees. Terminated eligible employees may also be assisted in other ways including outplacement services, appropriate retraining, educational opportunities, and relocation assistance.

This document is the Oak Ridge Operations Work Force Restructuring Plan (Plan) and will serve as the generic Plan outlining benefits and actions that may be taken to address those impacts. This Plan succeeds the prior Oak Ridge Operations Work Force Restructuring Plan dated November 29, 1995, and its Plan Addendum dated and approved by the Secretary on November 20, 1996. A discussion of the Fiscal Year 1997 work force restructuring at Oak Ridge was included in the Secretary's Annual Report on Contractor Work Force Restructuring that was issued in March 1998. The ORO also implemented approved Work Force Restructuring Plans in 1993 and 1994. This Plan recognizes a shift in emphasis from budget-driven employment reductions to work force restructuring in FY 1997, and, beyond due to a variety of changes in the way the ORO mission is accomplished. As a result, this Plan is a more generic document and does not include the detailed number of impacted workers or cost estimates associated with a specific phase of reductions. When the ORO implements future work force restructuring, information on the specific numbers, timing and costs associated therewith will be identified separately.

This Plan recognizes section 304 of the Fiscal Year 1998 Energy and Water Development Appropriations Act, which directs the Department not to use Departmental program funds to provide enhanced benefits under the provisions of section 3161 of the National Defense Authorization Act for Fiscal Year 1993. This Plan also recognizes that henceforth the Department may fund enhanced "severance payments and other benefits" under the provisions of section 3161 only from funds the Congress specifically appropriates for that purpose. The ORO has determined that the only enhanced benefits currently being offered as a part of this Plan are relocation and educational assistance.

Should circumstances warrant consideration of "enhanced benefits," the ORO may submit a request for funding such proposed benefits to the Office of Worker and Community Transition for review under guidelines established by that Office. Availability of these funds in the future is dependent on provision of funding from the Worker and Community Transition Account.

This Plan also recognizes that while some ORO programs continue to be carried out through management and operating contracts (M&O), other programs have changed to a contract strategy that will emphasize competitive, fixed-price subcontracting to accomplish most of the work. Under this approach, Environmental Management program managers expect to ultimately have a contractor work force that changes repeatedly as the work changes, reflecting changing skills mix needs. Other ORO objectives, such as reindustrialization, which involves converting certain assets to private sector use at the East Tennessee Technology Park (ETTP) (formerly known as the K-25 Site), add further complexity to the range of worker transition issues that need to be addressed. To achieve longer range success with these changes, the Department also needs to encourage the development of a more flexible and productive and, therefore, more cost-effective contractor and major subcontractor work force.

From time-to-time, the ORO will announce changes in missions and cost-saving efforts in the Environmental Management, Defense Programs, Energy Research, and other programs that will have impacts on the ORO's prime contractor or major subcontractor work forces. The purpose of the cost-saving initiatives is both to improve the cost-effectiveness and efficiency of accomplishing program work as well as to prepare for the likelihood of lower budgets in a planned, business-like manner. It is expected that employment restructuring will be accomplished in a phased manner.

Other anticipated actions that have work force restructuring ramifications include outsourcing, changing contractor arrangements, recompetition of contracts involving major programs, realigning contractor management structures, eliminating duplicated activities or services, and implementing new business practices associated with the Department's reindustrialization initiatives. Changes in available funding could also result in work force restructuring.

An example of addressing worker impacts as a result of a contract recompetition is the new management and integration (M&I) contract effective April 1, 1998. The contract includes several provisions on work force transition. These include the initial transition of affected workers with substantially equivalent pay and benefits to the new contractor and a requirement that the current bargaining agent be recognized, consistent with applicable law. The ability to implement such work force transition provisions must be evaluated with each procurement action and will vary depending on the circumstances of each case.

Each general announcement of the need to restructure the work force will include an estimate of the number of positions to be eliminated. However, with future uncertainties surrounding budget levels in several major ORO programs, it is likely that the actual number of impacted positions could vary from the announced estimate.

The provisions of this Plan will be applicable to the ORO prime contractors and designated subcontractors to the extent affected employees meet the eligibility requirements described in the Plan. Lockheed Martin Energy Systems (LMES) employees assigned to Paducah, Kentucky or Portsmouth, Ohio are also covered by this Plan.

As set forth below, this Plan outlines actions the ORO intends to take to mitigate the impacts of Work force restructuring on employees. Those actions include outplacement assistance, displaced worker health benefits, preferential hiring requirements, relocation assistance, continuing educational and retraining assistance, and voluntary reduction-in-force (VRIF) separation programs. To be eligible for the assistance and benefits described in this Plan, impacted employees must meet the eligibility criteria described below. For some of these benefits, employees will be required to satisfy the criteria described in Appendix A in this Plan. These criteria focus on establishing employment as of the ending date of the Cold War, determined by the Department to be September 27, 1991. This date will be used to determine eligibility for certain work force restructuring benefits.

2. COMMUNITY AND STAKEHOLDER INVOLVEMENT

It is the ORO's intention to provide a full opportunity for local and regional stakeholders who may be impacted by work force restructuring to assist in the planning process. The ORO involves area stakeholders by providing them with the current Departmental Planning Guidance for Contractor Work Force Restructuring, seeking their input to Plan drafts, and incorporating their comments and suggestions into the final Plan to the extent feasible. A list of stakeholders (see Appendix B) has been compiled and includes employee representatives and union leaders, contractors and subcontractors, local and state governments, educators, citizen groups, economic development and civic groups, and business and commercial leaders.

The ORO will provide copies of any future revisions of the DOE "Interim Planning Guidance for Contractor Work Force Restructuring" to identified stakeholders. This document describes the Department's current policy under which work force restructuring is implemented, and is updated periodically by the Office of Worker and Community Transition.

Consistent with the Planning Guidance, the ORO's Office of Public Affairs will periodically issue a general announcement in conjunction with implementing work force restructuring. Information will be provided to employees, employee representatives, and the community at large that work force changes will be required at the Oak Ridge facilities, including an estimate of how many jobs will be eliminated. A briefing for local media representatives may also be held in conjunction with the announcement.

1. The ORO has taken several additional measures to ensure effective stakeholder consultation. The ORO established and chairs regular meetings of the Adjustment Assistance Coordinating Council (AACC) to serve as the ongoing mechanism for discussing work force restructuring issues and exploring possible solutions or activities to address them with community and local stakeholders. The AACC is an ongoing

communication and consulting team with continuing participation by DOE, union leaders, and employee representatives of contractors and subcontractors, and various other stakeholders (see Appendix C for a listing of AACC meeting participants). Since there are no formal "membership" requirements, a variety of other stakeholders attend AACC meetings whenever they find them useful during the planning process and development of the Plan. AACC meetings are normally held every 2 or 3 weeks. Additional meetings are held as needed to discuss work force restructuring issues that arise under section 3161.

Other local stakeholder meetings to discuss the Oak Ridge work force restructuring process are held periodically in order for the Department to provide information and respond to any questions or concerns. The ORO representatives provide background information on the work force restructuring process and summarize current ORO program perspectives and outlooks to include Defense Programs, Energy Research, Environmental Management, Construction Services, and Economic Development. Revisions to the Oak Ridge Plan will be made in the future as necessary, with opportunity for stakeholders to have additional input on the proposed changes.

A draft of this Plan was provided to stakeholders for review and comment. Suggestions and comments were considered and, as appropriate and to the extent practicable, included in the final Plan. A record of all comments was kept and the basis for including or not including specific recommendations in the final Plan documented. The ORO Plan is available on the ORO Internet Homepage, and copies are placed in the ORO Public Reading Room. The Public Reading Room is located at the American Museum of Science and Energy, room 135 and is open 9 a.m.- 4:30 p.m., Monday through Friday. The telephone number is 241-4780. Future Plan changes or additions will be made available in the reading room for review and comment. Copies of draft Plans and the final Work Force Restructuring Plan have also been made available to the LMES employees working at Paducah, Kentucky, and Portsmouth, Ohio, who are covered by this Plan.

3. WORK FORCE PLANNING AND INTERNAL REALIGNMENT

a. Work Force Planning

An essential part of restructuring the work force is the assessment of current and future missions and program work in relation to the skills and capabilities of the existing work force and in light of relevant budgetary constraints. This evaluation reveals any mismatches between the skills required to perform continuing or changed mission requirements and the skills presently available to perform the work, the extent to which the existing work force can be reassigned or retrained to meet the needs of changed missions, and the need to separate individuals whose skills are no longer required.

The DOE managers in three primary ORO programs (Environmental Management, Defense Programs, and Energy Research and Development), with appropriate input from the contractors and subcontractors who perform work in these areas and in consultation

with potentially affected employees and stakeholders, reassess the impacts of work force restructuring as programmatic priorities shift and anticipated budget levels change.

The high degree of budgetary uncertainty and anticipated changes in contractor arrangements make it difficult to plan work force needs for future years. Based on the information and assumptions available, work force scenarios are developed and then updated, and are revised as conditions warrant. The effects of changes in contracting arrangements, existing contractor turnover, and other activities, with the need to achieve other overall goals such as diversity and cost reduction, all have a bearing on work force planning decisions. Thus, as changes in the required job skills become clear, the need for retraining will be evaluated.

Prime contractors and designated subcontractors develop and periodically provide ORO with the results of their ongoing work force planning analyses. During the work force planning process, opportunities to implement various techniques, such as retraining and voluntary separation programs are evaluated.

The ORO M&I contractor is responsible for managing the overall Environmental Management program effort; however, the actual execution of work in the field will be done primarily by subcontractors. The M&I will assess skills mix needs, work force skills, and will transition current employees to subcontractor jobs to the maximum extent feasible.

The work force analysis process used by contractors to determine necessary work force reductions is depicted in Figure 1, “Work Force Restructuring Process.”

Work Force Restructuring Process

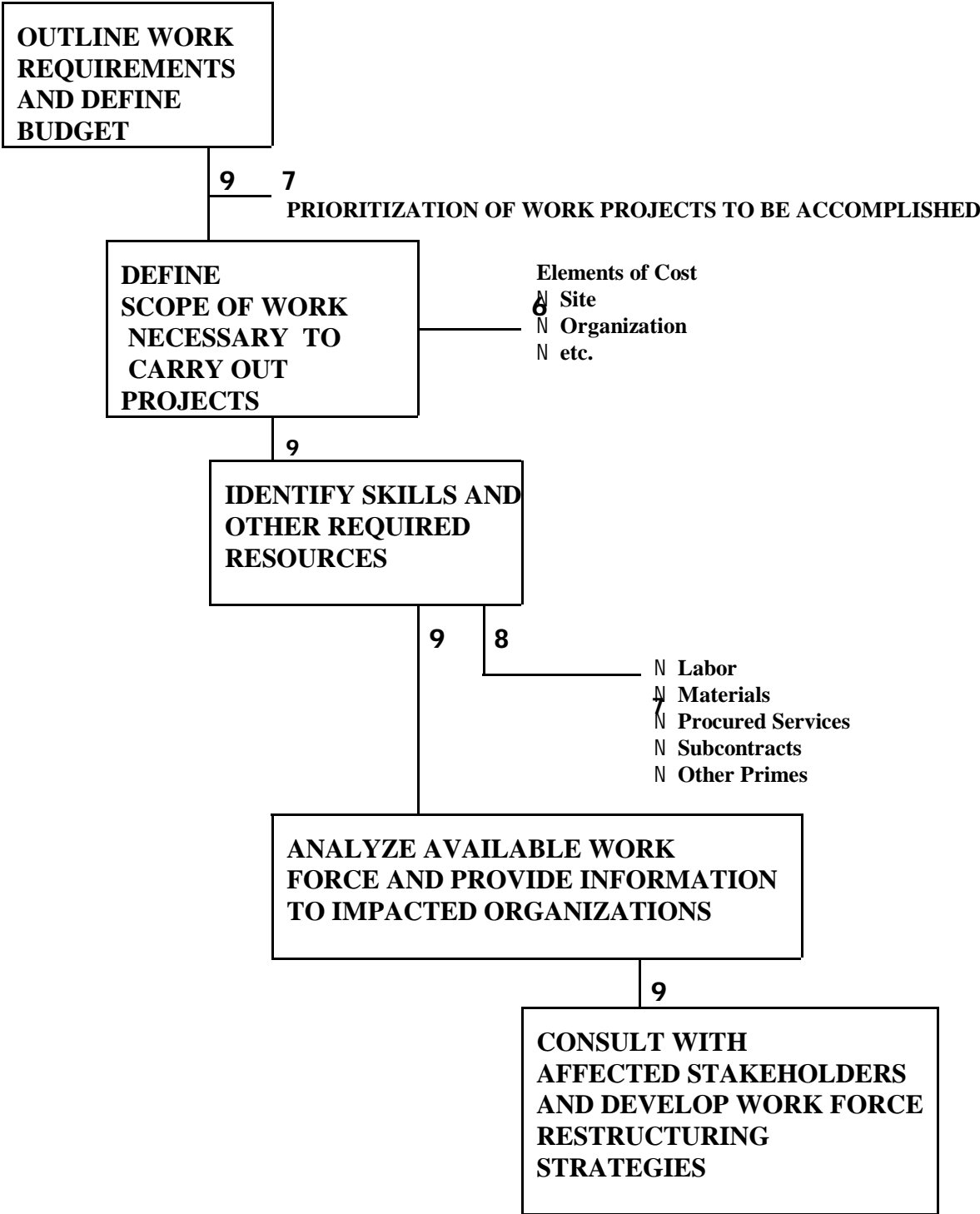


Figure 1

The key elements of the work force restructuring planning process followed by contractors in consultation with DOE include:

- N Define the projected budget for the specific program(s) (based on program guidance from DOE) and prioritize projects and activities to be accomplished during the period as defined by the ORO.
- N Identify specific work requirements (work scope) to be accomplished.
- N Identify the work force skills needed to carry out projects and determine the skills mix and other resources required to accomplish the defined work by site, contractor, and organization. Assess the need for a feasibility of retraining programs. Resources include labor, materials, procured services, subcontracts, and other prime contractors.
- N Compare work requirements to available work force capability and develop information by affected organizations, analyzing the number of needed employees by specific worker classification and job group. Identify personnel impacts in each of the involved organizations (prime contractors and subcontractors). Determine the worker population at risk for restructuring and develop mitigating human resource strategies such as retraining programs, to mitigate impacts on the existing work force.
- N Consult with affected stakeholders and develop a strategy for implementing the Work Force Restructuring Plan. A variety of initiatives that may impact the work force are underway including outsourcing and privatization (including subcontracting by prime contractors), reindustrialization (primarily through leases of surplus facilities involving private sector businesses but which could also involve DOE contracts), and major changes in contracting arrangements (e.g., changing from a management and operating contract to a management and integrating contract with multiple subcontracts). Although it may not be possible to anticipate every situation that may arise, the following information is intended to describe how employee transition issues will generally be addressed by the ORO.

b. Major Contracting Changes

In the wake of a decision to implement major changes in contracting practices, the Department's primary objective continues to be to assist impacted workers to obtain a job. The ORO recognizes that the terms and conditions of employment, including pay and benefits, will typically vary from case to case; however, in appropriate cases, maintaining reasonable consistency will be an objective.

i. Outsourcing, Privatization, and Subcontracting.

Contractor employees who are laid off and who receive severance pay as a result of outsourcing, privatization, or subcontracting activities may also receive certain

assistance under this Plan, such as educational assistance and hiring preference consideration, if they meet the applicable eligibility criteria. If comparable pay and benefits are not maintained when work is outsourced, employees will be considered to be involuntarily separated and may receive severance pay in appropriate circumstances.

It must be kept in mind that a principal driver for many of these actions is a determination based on a contractor "make-or-buy" analysis developed under the provisions of DOE Acquisition Regulations, prior to a Request for Proposals, that the work can be done more efficiently if outsourced. The ORO contractors have established separate make-or-buy plans which include the criteria and process for determining whether an activity should be outsourced.

Procurement actions, such as requests for proposals, and new contracts and subcontracts will require compliance with the objectives of Section 3161, including the obligation to consider retraining and to implement the hiring preference for eligible impacted employees to the extent practicable.

In specific cases, as employees are hired by the new contractor or subcontractor, there may be additional steps taken to address the transition of employee benefits (e.g., participation in a multiple-employer pension plan). To the extent employee benefits are preserved, the obligation to pay severance may be reduced or eliminated. However, it may not be feasible to ensure continuity of pay and benefits in some cases; e.g., under a fixed-price contract.

ii. Other Major Changes in Contracting Arrangements

When the ORO plans a major change in the contracting approach to a significant area of work for which DOE remains responsible or for an entire DOE program (e.g., a change from a management and operating contract to a management and integrating contract with multiple subcontracts), an approach for assisting the affected work force will be developed. As needed changes in work skills become apparent, the need for retraining of the existing work force to develop the required skills will be evaluated. The objectives of work force transition requirements in such cases are to ensure an orderly transition of the work and mitigate adverse impacts on current employees while still moving toward the goal of a flexible, well trained and productive work force.

For example, the M&I contract included provisions for work force transition, including first consideration to current employees for jobs under the new contract and subsequent subcontracts for which employees are qualified; equivalent base pay and benefits for substantially equal jobs; and the development of multiple employer pension plan to provide continuity of pension benefits.

iii. Reindustrialization

Reindustrialization is the linchpin of DOE's Vision 2010 Plan to defederalize ETTP, and is a key component of the diversification of the region's economy. (See also Section 6, "Community and Economic Development Initiatives") Reindustrialization is a strategy to reuse Oak Ridge Reservation assets (or facilities and equipment) and to develop surrounding land in an effort to facilitate the cleanup of the facilities and to recruit new industries to the area. Because an abundance of various metals at the ETTP can be recycled, specific focus is being placed on the metals and metals recycling industry. Reindustrialization is essential to the success of the region in finding jobs to replace those being lost through downsizing.

The Department will require companies who enter into a contractual or subcontractual relationship with DOE to accomplish DOE-funded activity as part of reindustrialization, to comply with section 3161 objectives including hiring preference and consideration of retraining to the extent practicable. If employees are impacted as a result of a reindustrialization-related contract or subcontract, severance benefits will be handled as described above for outsourcing, privatization or subcontracting actions.

The Community Reuse Organization of East Tennessee (CROET) is the community reuse organization for the Oak Ridge site. CROET acts as the leasing agent for DOE facilities at the ETTP. There are also Community Rescue Organizations at the uranium enrichment facilities in Paducah, Kentucky and Portsmouth, Ohio. If a company leases a facility at the ETTP through CROET for commercial business purposes, the company is strongly encouraged by CROET to give first consideration to section 3161-eligible individuals for any hiring the company may do. The ORO also works with CROET to facilitate coordination between new commercial enterprises coming to ETTP and the Outplacement Center, to maximize potential job opportunities for displaced or at-risk employees.

c. Current and Planned ORO Programs

Current and planned Defense Programs for the LMES Defense and Manufacturing business unit at Y-12 appear to be reasonably stable. Recent Congressional budget discussions are addressing reductions in the Technology Transfer programs which have the potential for impacts on both Y-12 and Oak Ridge National Laboratory (ORNL) staff. Future Defense Programs funding levels are not known; however, expectations are that Y-12 will continue to reduce its staffing consistent with the long-term objective of restructuring its work force to match its production requirements.

Environmental Management in Oak Ridge includes Environmental Restoration, Waste Management Technology Development, and the Nuclear Materials and Facility Stabilization Program. The work is primarily in Tennessee, Kentucky, Ohio, and Missouri. The mission is the cleanup of the legacy wastes mandated as described below as

well as other cleanup defined by the Superfund legislation. A large part of the work involved is remediation of sites and decontamination and decommissioning of facilities; waste treatment, storage, and disposal (for Environmental Management, Defense Programs, and Energy Research facilities) are also major requirements. The work is prioritized by risk, with higher risk projects receiving first priority. Projects are driven by numerous requirements: the Federal Facility Agreements, Federal Facility Compliance Act, and EPA Consent Orders. The EM budget peaked in FY 1994; since that time risk prioritization has played a major role as the ORO juggles limited resources to accomplish program goals.

It is expected that many of the future Environmental Management activities scheduled at Oak Ridge will be guided by the strategies reflected in Environmental Management's "Accelerating Cleanup - Paths to Closure" document, which provides a project-by-project projection of the technical scope, cost and schedule required to complete cleanup projects across the DOE complex.

The ORNL is a multiprogram laboratory with a very diverse funding base. Congressional budget decisions may adversely affect several of ORNL's programs including Fusion Energy, Technology Transfer, Energy Efficiency, and Education Programs. Funding reductions may also occur in other programs as well as in Work for Others, which is substantially supported by other Government Agencies. As the budget picture becomes clearer each year, the ORNL redirects its resources to the extent possible to prepare for and respond to funding shortfalls. Future budget levels are expected to continue to decline in some areas; actions will be taken to address these areas as soon as sufficient data is available.

The Oak Ridge Associated Universities (ORAU) also has multiple funding sources and experiences employment fluctuations as a result of changes in the budgets of these programs. The process used by the ORAU to identify positions at risk includes the following steps and calculations:

- N Divisions and Offices review budget projections, evaluate the level of work they expect to be supported and identify any positions being eliminated.
- N Managers review their situation with program and department heads, and report to the Office of Human Resources (OHR), the areas where positions and employee losses are anticipated.
- N The OHR compiles the numbers and discusses the results with the Oak Ridge Institute of Science and Education (ORISE) Director, focusing on the effects on both direct program positions and General and Administrative (G&A) jobs.

As other ORO non-M&O project or support services contractors and subcontractors experience reductions in contractor employment related to mission changes or reduced

funding, the ORO works with the impacted organizations, as they develop and implement their work force restructuring plans.

Consistent with the guidance received from the Congress and Headquarters, the ORO has determined that the only enhanced benefits identified in this Plan are Educational Assistance and Relocation Assistance. According to that guidance, benefits that may be funded from accounts other than the Worker and Community Transition appropriation include: regular severance costs (including the portion of voluntary incentive payments equal to regular severance if the voluntary separation avoids an involuntary separation); displaced worker medical costs (which preceded section 3161 and are governed under the DOE Order and Acquisition Letter); pre-separation education or training that is associated with an agreement to leave employment voluntarily through attrition and thus results in a savings to the government compared to severance costs; outplacement assistance or other benefits provided under contract or as part of contractor human resources policy or practice that predates section 3161 or is otherwise independent of section 3161.

d. Retraining, Internal Placement and Reassignments

The ORO is committed to assuring that contractors and subcontractors maximize utilization of the existing work force in order to reduce the need for involuntary separations through reduction-in-force. Consistent with DOE Order 350.1, Chapter 3, "Reductions in Contractor Employment," and section 3161, the ORO works with the contractors covered by this Plan to ensure that they use their best efforts to alleviate adverse impacts and to require that they document their analysis to demonstrate these efforts. Every effort is made, in accordance with the programs identified in this Plan, to minimize the number of employees involuntarily separated, consistent with the best industry practices. When it is determined that a changing skills mix is necessary, retraining is considered to develop those skills in the existing work force. When it is determined that a reduction-in-force may be needed, affected organizations will consider implementing as many of the following actions as feasible:

N Limit external hiring.

- New hires should be severely restricted while at-risk employees remain to be placed.
- External hiring should be limited to obtaining critical skills which are unavailable within the existing work force, which cannot be developed in a timely manner through retraining of existing employees, and which are essential to support critical program work.

N When skills gaps are identified, begin consideration of programs to retrain workers at risk of separation, for future openings on site, whenever practicable.

- N Maximize use of internal transfers and reassignments of employees from areas of surplus to areas where employees are most needed.
- N Consider other techniques such as alternate work schedules and job sharing when feasible.

In addition, consistent with (a) the need for critical skills, (b) the Department's efforts to increase the efficiency and cost effectiveness of its operations, (c) the results of cost/benefit "make or buy" analyses, (d) work schedule impacts, and (e) contract terms, contractors restrict the use of staff augmentation personal services subcontracts and consultant agreements in order to maximize the use of impacted employees.

Beginning in the year before the work force restructuring is expected, the ORO contractors that anticipate work force restructuring take steps to mitigate the impacts of that restructuring. For example, they place administrative controls on outside hiring prior to, as well as during, periods of reductions. This process consists of reviewing the qualifications of available employees for existing job openings before proceeding to fill these jobs from the outside. All outside hiring is approved by designated senior management based on the criteria identified in this section. In addition, affected employees are given first consideration for salaried job openings prior to bidding and advertising, and for hourly job openings after collective-bargaining agreement, job bid and recall requirements have been met.

Immediately following an ORO announcement of the need for work force restructuring, the contractors begin to mitigate its impacts on workers by careful position management and internal reassignments. It is important to note that some ORO contractors are large organizations. In any given year, when one or more of their programs are declining, others may be growing. Even within a program, there is usually a need to fill some jobs during downsizing due to changing skills mix requirements and the need to retain critical capabilities. For example, there may be internal transfers involving people who are able to be reassigned to other jobs by matching their skills with the available, remaining work. The number of involuntarily terminated employees is reduced accordingly compared to the number initially projected.

e. Training Programs for Retained Workers

Throughout the work force restructuring process, the ORO and its stakeholders identify training needs for retained employees that will fulfill the objectives of the Planning Guidance and section 3161, and are practicable (i.e., the training is aimed at jobs, particularly DOE-funded jobs, where vacancies are expected in the near term, and it can be completed within a reasonable time and at a reasonable cost). Training programs must

be based on contractor work force analysis and planning that identifies a gap between the skills of the workers and the job skills required to perform essential program work.

In coordination with the Tennessee Department of Labor Rapid Response Team, Tennessee Department of Employment Security, and other regional resources (e.g., Oak Ridge Housing Authority), the ORO contractors will also refer impacted employees to the appropriate state and local agencies and use publicly-funded programs such as the Joint Training and Partnership Act (JTPA), through the Private Industry Council (PIC), serving Service Delivery Area Four and adjacent PICs wherever possible.

For example, the existing LMES Skills Enhancement Program (SEP) provides opportunities for full-time employees to improve skills necessary for current or future job assignments. The SEP offers skills development in math, calculus, fractions, and statistics. Other subjects include writing, reading comprehension, and computer skills. The SEP is designed to meet the needs of all educational levels and backgrounds. The SEP is administered by the LMES Center for Continuing Education in association with Sylvan Learning Systems. Sylvan provides individualized instruction, materials, and equipment.

Efforts will be made to make the SEP or a similar program available to dislocated workers of other contractors to the extent practicable within available resources.

Training for new career fields is discussed in section 5.c of this Plan, "Educational Assistance," which describes a program to help impacted workers move to other career paths.

Impacted workers may also be interested in starting their own businesses by using entrepreneurial and small business development assistance and support services or by taking courses in establishing and operating small businesses. Several community resources (e.g., Small Business Administration, Roane State Community College, Service Corps of Retired Executives, etc.) will be used on a coordinated basis to maximize the training and related services that can be provided. Entrepreneurial classes are also offered through the Career Center.

The services and resources of the economic development programs funded through DOE grants, and referenced in previous Work Force Restructuring Plans may be available to impacted workers. This will involve access to help with technology transfer and small business development (including business incubator space, management and technical assistance, and financial assistance through a revolving loan fund).

In addition, several hundred employees from the three Oak Ridge facilities have attended one or more of the 30 courses developed and delivered at the Manufacturing Skills Campus in Oak Ridge. Courses include precision manufacturing, machine tool maintenance, and industrial maintenance, and are an important means to maintaining and improving core competency needs for DOE Defense Programs. Several impacted workers

have obtained internal reassignments as a direct result of this training. The ORO intends to use this facility to continue training in those areas.

4. PROGRAMS FOR IMPACTED WORKERS

a. Voluntary Separation Programs

The ORO works with contractor organizations anticipating employment reductions as part of work force restructuring to encourage the use of voluntary reduction-in-force (VRIF) programs. VRIF programs are used to enable employees in impacted organizations to volunteer to be separated and receive normal severance pay (pursuant to the terms of their employer's contract with DOE) if the VRIF eliminates the need to involuntarily lay off that employee or another employee. The key consideration under these programs when granting a VRIF is that it eliminates the need to impose an involuntary separation on an employee in job classifications when there are more employees than required. Approvals of applications to participate in a VRIF are granted by appropriate contractor human resources and line management officials in accordance with established company policy. No employee has a right to a VRIF benefit; applications for a voluntary separation may be refused if the employee in question is needed to preserve critical knowledge, skills, or adequate staffing levels or if granting the application to participate in the VRIF would not otherwise be consistent with the intent of the program.

Contractors covered by a work force restructuring plan must submit a request to implement a VRIF program to the ORO for review and prior approval. Contractors who implement approved VRIF programs must also in certain circumstances adopt post-employment restrictions, requirements for repayment of the severance benefit on a prorated basis upon rehire, or other procedures to ensure that individuals accepting a VRIF benefit are not inappropriately rehired by the contractor.

In order to implement these policies, participating employees will be required to sign a waiver form consistent with the Department's Interim Planning Guidance.

b. Displaced Workers Medical Benefits

Displaced Workers Medical Benefits, consistent with Departmental Planning Guidance on contractor work force restructuring, are offered to all separating employees of management and operating (M&O) contractors and other prime contractors of the ORO as described below. Employees who are not eligible for such medical insurance under any other program (including another employer's group plan either as an employee or dependent, or Medicare or other retirement program coverage) may elect coverage under the Displaced Workers Medical Benefits Program.

During the first year following separation, the contractor will continue to pay its portion of the former worker's medical premium, and the former employee will pay the normal employee share (i.e., the active employee premium rate). During the second year, the former employee will pay 50 percent of the Consolidated Omnibus Budget Reconciliation Act (COBRA) rate (i.e., 100 percent of the full cost), plus 2 percent to cover administrative expenses. During the third and subsequent years, the former employee will pay the full COBRA rate.

The separated employee must certify eligibility each month to continue participation in this program and follow all other procedures and conditions established by the employer. Failure to provide timely certification will result in termination of the extended medical insurance benefits.

Former employees may be able to continue coverage under the DOE Displaced Worker Medical Benefits Program for preexisting conditions, if such conditions are excluded from coverage under another Plan for which he or she becomes eligible. It will be the individual's responsibility to coordinate with the employers and insurance companies involved to determine if such coverage is available.

All employees will also receive notice of their rights under COBRA.

c. Outplacement Assistance

It is the ORO's intention to provide outplacement assistance to all involuntarily separated employees under this Plan on an equitable basis that minimizes duplication of services and unnecessary costs. The extent of services provided will be planned in consideration of the number and classifications of employees who are expected to require assistance under the circumstances at the time. Subject to the availability of funds, outplacement assistance may also be made available to employees approved for voluntary separations.

The Career Center will function in conjunction with the general notification of the need for work force restructuring of the M&O and M&I contractor work forces. The Center's activities have been consolidated to a single off-site location in an effort to make the services as accessible to the target audience as practicable. To the extent other contractor (e.g., support services contractors), and subcontractor employees are affected, the services of the Career Center may also be available to assist them. The Office of Worker and Community Transition has established a contract with Star Access to provide outplacement services to sites requesting such assistance. The ORO has worked with both its contractors and Headquarters to develop an approach that uses local resources complemented by Star Access resources funded by DOE. The Star Access services have been tailored to meet site-specific needs.

Similar outplacement assistance is provided, within available resources, for the ORO contractor employees at Paducah, Kentucky and Portsmouth, Ohio.

The purpose of the Career Center is to assist displaced workers to develop career plans, execute job searches, and look for retraining and employment opportunities. The Center may also provide administrative support in processing applicants or candidates for various types of assistance programs and, to the extent possible, retraining and educational opportunities. A complete system of career transition services ranging from assessment to a satisfactory employment match is the desired outcome of outplacement assistance. The Career Center focuses both on internal reassignments of identified employees, as well as on outplacement of impacted workers who avail themselves of the services offered through the Center.

The Career Center will provide services such as aptitude and skills assessments; job analyses (present and future); information on job demand and supply, basic job requirement listings, wage information; and access to school, training and unemployment information. Several software applications and hard-copy assessments are available through the Center to assist employees in determining their skills and aptitudes. Providing assessment and evaluation services to all employees will help to ensure that everyone's interests and aptitudes receive proper attention. Referrals may be made to the Educational Assistance Program, the Skills Enhancement Program, or to an area school.

Job openings are posted on bulletin boards in the Career Center and, where practicable, on company electronic bulletin boards. Job leads are received from private industry, other contractor and subcontractor corporate locations, and other DOE contractors. The Career Center offers access to several job search software programs, including:

- N Job-Opportunity Bulletin Board System (JOBBS) - a DOE contractor system used to match displaced workers with job vacancies in the DOE community. JOBBS is for the exclusive use of DOE, its contractors and subcontractors, and is free to all qualified users to facilitate the implementation of the required hiring preference to DOE contractor employees displaced by work force restructuring. BDM Federal, Inc., is administering the JOBBS for DOE; additional information on it can be obtained by calling the company on 408-657-1846, or the Career Center in Oak Ridge on 423-241-3444.
- N Interstate Job Bank - a nationwide, job-listing computer program available at the Career Center that was established in accordance with section 4468 of the National Defense Authorization Act.
- N Automated Labor Exchange (ALEX) - an online, job-listing service from the Tennessee Department of Employment Security.

N "OASYS" Job Match - a data base that matches employee skills with actual companies that hire those skills.

N Internet - availability for various job search programs including newspaper classified ads from throughout the U.S.

Other services provided by the Career Center include assistance in preparing resumes and cover letters, filling requests for training records and transcripts, reproducing and transmitting materials, and providing other job search assistance. A library of resource materials is located in the Career Center.

A number of workshops are planned and will be conducted as necessary to meet demand. Possible workshop topics include:

- N resume writing
- N job search techniques
- N interviewing skills
- N computer skills
- N financial management and planning
- N Credit Union Services (e.g., paying loans)
- N Economic Displaced Worker Administration Act Information and Assistance
- N Small Business Administration/Service Corps of Retired Executives (SCORE) (e.g., small business loan programs)
- N setting education goals and obtaining grants
- N community services (e.g., food programs, medical services, legal services)
- N unemployment services
- N stress management

An educational counselor from a local community college is available by appointment to help employees make career decisions, select an academic institution, and complete admission and financial aid forms. The counselor also explains federally funded, student financial assistance programs.

As appropriate, consideration is given to conducting job fairs to market the skills of the workers being displaced.

Employees are advised of services available at Roane State Community College and Pellissippi State Technical Community College. For example, these schools conduct interest assessments, hold career workshops, and post job openings. In addition, they maintain libraries that contain numerous references of interest to job hunters.

Impacted employees are also referred to the local office of the Tennessee Department of Employment Security and other area resources for services such as:

- N skills assessment

- N job counseling
- N referral to resource agencies and job search information
- N career planning
- N training services (e.g., basic skills, General Equivalency Diploma preparation, and job-specific skills training)

Meetings sponsored by the Tennessee Department of Labor are held after layoff notices are issued. Participants include: The Tennessee Department of Employment Security, Tennessee Department of Human Services, Tennessee Department of Labor, and the Job Training Partnership Act/Private Industry Council Coordinators. The coordinators are available for individual appointments following the group meetings. Representatives of the Tennessee Department of Labor have set up offices within the Career Center in order to counsel and provide services on the spot for impacted workers.

As part of the services Star Access provides, a team of local human resource specialists was hired to help smooth the transition of employees to other local jobs. These local consultants are familiar with the Oak Ridge, Knoxville, and surrounding areas and will help develop external job leads.

d. Relocation Assistance

Contractors are encouraged to facilitate internal transfers for impacted workers. Normally, it is expected that the gaining organization will pay for relocation costs to the extent the employee is eligible for such benefits from that organization. In such cases, the employee will not be eligible for benefits under this Plan.

However, relocation assistance may be provided under the Work Force Restructuring Plan to involuntarily separated workers who meet the job test located in Appendix A of this document and who are hired at another DOE site but do not qualify for relocation assistance under the hiring contractor's policies. This relocation assistance includes actual and reasonable expenses for transportation, movement of household goods, and temporary living expenses, not to exceed a cumulative total of \$2,500 per separated worker. This plan fully recognizes the FY 1998 Energy and Water Development Appropriations Act language which may result in discontinuing this benefit in the future if funding resources are not available from the Office of Worker and Community Transition. See section 3c, "Current Planned ORO Programs" for additional information on funding of programs.

The Tennessee Department of Labor, through Job Training Partnership Act (JTPA) Title III funds, may also be available to assist impacted workers who are identified and certified as dislocated workers in counties served by the Private Industry Council (PIC). A maximum of \$800 for relocation assistance per dislocated individual is available through the JTPA.

5. SPECIAL PROGRAMS FOR INVOLUNTARILY SEPARATED WORKERS

When involuntary separations are required, nonrepresented employees are identified for involuntary separation consistent with applicable personnel policies based on a number of factors including, but not limited to,, the need for the individual skills, taking into account the possibilities for retraining to the extent practicable; individual performance; company service; and the breadth of their work experience as it relates to the overall documented strategic direction. Performance within the ranking group is assessed in accordance with the contractor's established performance appraisal guidelines and the employee's existing performance appraisals.

Represented employees covered by collective-bargaining agreements are identified for involuntary separation in accordance with their respective collective-bargaining agreements.

Every effort will be made to ensure that involuntary separations are accomplished in a completely fair manner. For example, each M&O contractor has established an internal Reduction-in-Force (RIF) Review Board to review appropriate cases, at the discretion of management. It is comprised of human resources staff, the Work Force Diversity Manager, and at the discretion of the contractor, a line manager (not in the organization being reviewed). The internal RIF Review Board reviews line management RIF decisions, and, in appropriate cases, counsel will be consulted. Every effort will be made to see that any involuntary separations are accomplished in a completely fair manner.

a. Hiring Preference

Section 3161 of the National Defense Authorization Act for FY 1993 provides that to the extent practicable involuntarily terminated employees at defense nuclear facilities will be given preferential hiring consideration in filling available job openings in the work of DOE and its contractors and subcontractors. The preference extends to terminated employees who meet the eligibility criteria described below and in Appendix A to this Plan and are qualified to perform the job at the time the work is to begin.

As established by the Department's current Interim Planning Guidance for Work Force Restructuring, this hiring preference will be provided to the extent practicable consistent with applicable laws, regulations, executive orders, and collective-bargaining agreements. Where qualifications are approximately equal, eligible employees will be given a preference in hiring. This preference does not outweigh or override other preferences required by statute or executive order. Before the preference is applied, effect will be given to the recall rights of laid-off employees under applicable collective-bargaining agreements.

Preference in hiring will be given by the ORO contractors and subcontractors (whose contracts equal or exceed \$500,000 in value) to involuntarily terminated individuals in the following order:

- N Eligible former ORO regular, full-time, nonbargaining unit and bargaining unit, (consistent with formal recall rights) contractor or subcontractor employees who are in layoff status;
- N Eligible former ORO regular, part-time, contractor or subcontractor employees who are in layoff status;
- N Eligible former employees from contractors at DOE sites other than the ORO who are available through the DOE JOBBS, which contains resumes from impacted former employees at other sites.

Only after all preference-eligible individuals have been afforded preferential consideration will individuals who participate in a VRIF program, along with other external candidates from outside the the ORO and DOE complex, be considered.

The VRIF program participants are restricted from reemployment for 1 year after separation, consistent with the terms of any waiver they signed. It is the responsibility of the contractors and subcontractors to review eligible individuals (who have complied with the requirement to annually recertify their desire to retain the hiring preference) for each position that comes open to determine if those individuals are qualified.

This preference will continue until an action has occurred which terminates the preference. Actions which terminate the preference include voluntary termination or termination for cause from a position received from exercising this preference; or failure to comply with the annual certification requirements.

Individuals are given information on how to register for the hiring preference at the time of separation.

b. Severance Pay

Employees involuntarily separated and eligible for severance pay are paid severance in accordance with their employer's established policy and, as applicable, negotiated collective-bargaining agreements.

c. Educational Assistance

Where feasible, the ORO will request funding from the Office of Worker and Community Transition and, if provided, contractors may provide educational assistance to assist involuntarily separated employees, who meet the job attachment

test eligibility criteria located in Appendix A, to make the transition from DOE-funded jobs to alternative contractor, private sector, industrial, or independent job opportunities. This program provides educational assistance funds to involuntarily terminated workers only for the period identified by the contractor when implementing this benefit. It does not apply to employees who accept a voluntary termination of any kind nor to those employees who were not an employee on-site as of September 27, 1991.

The educational assistance benefit is for programs at recognized educational institutions including universities or colleges, community colleges, vocational schools, and technical schools. Other educational opportunities may be considered by the former employer in consultation with DOE (e.g., real estate courses leading to a broker's license) at the time of application.

The educational assistance program provides a maximum benefit of up to \$6,000 (less scholarships, grants, and other direct, new-employer assistance) for up to 3 years from the date of separation for an eligible displaced employee who pursues education for an alternate career. No more than \$3,000 may be received for these programs in any 1 year. Individuals must submit an application for educational assistance to their former employer within 3 months from date of termination.

Funds available for this program are limited. This program is intended to supplement funding that may become available to displaced individuals through future employers, State, and other governmental grants and programs. All other available financial assistance (e.g., JTPA, Pell Grants, etc.) must be exhausted before any individual may apply for and receive funding under this Plan benefit. The ORO will work with impacted workers and their employers to allocate funding in response to requests for educational assistance. Please reference the Introduction and section 3c, "Current ORO Program and Funding Prospects" for further information regarding the future applicability of this benefit.

Reimbursement is limited to actual costs incurred upon certification by the former employee. In order to continue to receive reimbursement under this program, an individual receiving assistance must maintain satisfactory progress as defined by the educational institution. The educational assistance benefits may be subject to Federal Income and Federal Insurance Compensation Act (FICA) taxes; any tax liability is the responsibility of the individual receiving the assistance and is not a part of this benefit.

6. COMMUNITY AND ECONOMIC DEVELOPMENT INITIATIVES

Oak Ridge is continuing its community transition effort by implementing the East Tennessee 2001 Economic Development Plan through the Community Reuse Organization of East Tennessee (CROET). This Plan, which is partially funded by the DOE Office of Worker and Community Transition, builds upon the region's initial

Community Transition Plan, East Tennessee 2000. Both Plans implement short- and long-term initiatives to create jobs and mitigate the impact of downsizing on workers. A major objective is to diversify the regional economy and lessen its dependence on DOE-funded activities, thereby enhancing the opportunities for displaced workers to obtain other employment in the region.

The East Tennessee 2001 Plan has four major components: Reindustrialization and Reuse; Work Force Development; Regional Research and Development Initiatives; and Community Transition and Economic Diversification.

A major objective of these components (described below) is to diversify the regional economy and lessen its dependence on DOE-funded activities, thereby enhancing the opportunities for displaced workers to obtain other employment in the region.

a. Reindustrialization and Reuse

An initiative to cleanup and reindustrialize underutilized facilities and equipment on the Oak Ridge Reservation is underway through a program called Vision 2010. This effort will result in the reuse of existing unneeded facilities, and the development of the surrounding land to facilitate the cleanup of the facilities and recruit new industries to the area. Among its other environmental benefits, reindustrialization is expected to be a major factor in private-sector job creation for the region.

Another area adjacent to ETTP, known as "Parcel ED-1," consisting of approximately 950 acres, will be developed as an industrial park through CROET. It is expected to become a regional industrial center that will enhance the area's ability to recruit industries and provide additional job opportunities for displaced workers.

Contractors and major subcontractors of DOE who do work on the Oak Ridge Reservation will be required to give the hiring preference to eligible displaced workers. Other private sector employers who locate on ETTP or Parcel ED-1 will be urged to do the same. ORO will also work closely with CROET and organizations that lease facilities through CROET to ensure that employers give maximum hiring consideration to displaced workers.

b. Work Force Development

Work force issues are emerging across the U.S. economy as among the most critical factors in competitiveness, industrial development, and overall job creation. To meet fast-changing job requirements, employers are looking for new skills in their employees. To fill this training need, the Oak Ridge Manufacturing Skills Campus is an on-site retraining facility with a dual purpose: to retrain workers to maintain national security core worker competencies and to transfer

skills to private sector companies. This facility is an example of efforts to integrate work force restructuring needs and economic development objectives.

The East Tennessee 2001 Economic Development Plan, includes financial assistance for community work force development initiatives that will be administered by CROET. It would assist school districts, counties, and other local agencies with projects such as integrating training into a school system's total curriculum to better prepare students for job opportunities.

c. Regional Research and Development Initiatives

Technology 2020, which was supported in earlier grant funding, continues to receive support to stimulate new economic activities through the use of information technologies. The National Transportation Research Center, a partnership between DOE, LMES, and the University of Tennessee, will utilize the combined personnel and capabilities of those organizations to undertake specific transportation-industry research and provide a user facility for industry. Its goal is to attract transportation-related industries to the region.

The Gene Research Initiative is another research and development initiative intended to attract private industry to the region. CROET will be responsible for conducting a study to determine the feasibility of forming a gene research consortium able to perform cooperative genetic research with the ORNL. Depending upon the results of the feasibility study further funding would be provided for the effort. The consortium would be located in Oak Ridge, and its members would be encouraged to co-locate their private enterprises nearby.

d. Community Transition and Regional Economic Diversification

Based upon the previously funded 21st Century Jobs Initiative, regional economic development leaders are developing a plan to build on the strengths of the regional economy, make it more technologically competitive, and enable its manufacturing and services clusters to more quickly adapt to economic opportunities.

A Regional Economic Diversification Fund will be established by CROET to aid the counties impacted by Federal downsizing. Its emphasis will be those counties which have no organized economic development program and need start-up assistance, or those who need industrial infrastructure to attract new industry.

The emphasis in all these initiatives is to generate or attract new jobs to the region by attracting new enterprises or assisting existing ones.

7. PLAN FUNDING AND COSTS

A budget will be developed and updated periodically to identify the cost of providing the benefits and assistance described in this Plan to impacted workers based on the job reductions and organizations involved with implementing work force restructuring. Impacts on workers generally will occur in several phases and involve several prime contractors and subcontractors across multiple DOE program areas. Budget estimates will be submitted to DOE Headquarters as part of our work force planning and verified in the annual update to this Plan.

Since some uncertainty continues concerning budget levels and the full impact of reengineering and contracting initiatives as well as major unknowns involving program priorities, the number of impacted workers may increase substantially over initial estimates. If the number of affected workers increases significantly, the actual funding required to implement this Plan could also increase significantly. If this occurs, funding requirements will be revised and, as necessary, implementation strategies readjusted.

Consistent with the provisions of section 304 described above, the cost of providing assistance and benefits will primarily be borne by the Worker and Community Transition Appropriation Accounts and by program operating budgets. It is ORO's intent to implement the benefits of the Plan on a fair and equitable basis. However, it is recognized that providing any specific assistance or benefit in a particular contractor situation or across entire programs may not be feasible to the same extent as with other contractors or programs if additional employees would be impacted. At that point, an evaluation of the most reasonable course of action will have to be made considering all the circumstances and fiscal limitations involved. DOE will give priority to the identification of funding for retraining programs whenever that would achieve section 3161 objectives, have a high probability of leading to jobs after the training, and would be affordable under available limited resources.

8. CONCLUSION

This Plan is intended to be the general framework within which the ORO contractor work force restructuring will be implemented in the future, until it is revised by a Plan addendum. Implementation plans for specific contractor employment reductions, or work force restructuring, will be developed periodically, as necessary, using this Plan as a guide and in recognition of the programmatic, financial, and other relevant factors of each case.

APPENDIXES

Eligibility Criteria and Separation Benefit Summary

To be eligible for most benefits and assistance under this Plan, employees must have been employed at the affected facility (for purposes of this Plan, the affected "facility" covers ETTP, Y-12 Plant, and ORNL facilities) or employed within the Oak Ridge community on a project or work funded by the ORO and in direct support of one of the affected facilities on or before September 27, 1991 (the date recognized by DOE as the end of the Cold War), and meet the following additional criteria:

a. Regular Employees -

- N** Employed at a DOE defense nuclear facility on September 27, 1991;
- N** Employed at the Oak Ridge facility on November 20, 1996 (the date of notification of the work force restructuring);
- N** Employed full-time (40 hours per week) at a covered DOE facility from September 27, 1991 through November 20, 1996, the notification date; and
- N** Individual's current position directly impacted by the restructuring covered by this Plan, and individual involuntarily terminated.

b. Intermittent Employees (including construction workers) -

- N** Employed at a DOE defense nuclear facility on or before September 27, 1991;
- N** Employed at the Oak Ridge facility during the 180 days preceding November 20, 1996;
- N** Employed at the Oak Ridge facility a total time (including prior to September 27, 1991) equivalent to having worked full-time from September 27, 1991 to November 20, 1996, or actually worked the construction "standard" of full-time between September 27, 1991 and November 20, 1996; and
- N** Individual's current position directly impacted by the restructuring covered by this Plan, and individual involuntarily terminated (including interruption of a project before its anticipated completion, or the completion of the assignment or project without prospect for a follow-on assignment at the site).

The Table on page A-2 summarizes the benefits to which separated employees of the affected organizations may be eligible.